

STATE OF MINNESOTA

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD

MEETING: May 24, 2016

LOCATION: Bureau of Criminal Apprehension, 1430 Maryland Avenue East, St. Paul, MN 55106

MEMBERS PRESENT: Steve Wohlman, Rick Hodsdon, Jim Hessel, Jeff Hansen, Pat Moen

MEMBERS NOT PRESENT: None.

ATTORNEY GENERAL REPRESENTATIVE: Pete Magnuson

EXECUTIVE DIRECTOR: Greg Cook

ADMINISTRATIVE ASSISTANT: Shauna Jahnz

Hodsdon called the May 24, 2016 Board Meeting to order at 1:00pm. Hodsdon noted that all members were present, along with Board Counsel and staff.

1. REVIEW OF APRIL 2016 MEETING MINUTES & MAY 2016 AGING REPORTS

Wohlman made a motion to approve the April 2016 Meeting Minutes and Aging Report. Hessel seconded. Moen commented that the aging reports were very impressive and applications are getting done in a timely manner. The motion carried.

2. CURRENT CONTINGENCIES

PDI 742 – Charles Loesch [Contingency Expires June 2016] [Originally Licensed 11/01/95]

Cook stated that there was no update, as the agency had not heard back from this individual. Cook noted that it would remain in contingency. Hodsdon mentioned that this contingency would not expire until June.

PDC 1060 – Midwest Legal, LLC [Contingency Expires May 2016] [Originally Licensed 3/26/12]

Cook noted that there had been several issues and that on 5/17/16, the Qualified Representative had responded to one of the five issues. He stated that on that same day, he did provide the rest of the necessary documentation. Cook referred the Board to this individual's Letter of Explanation. Cook also noted that there were issues with timely responses from the individual. He also noted that the renewal was originally late. Hodsdon stated that it had been late, but was currently in order. Cook affirmed.

Hessel noted that the Board may look at some type of penalty. Hodsdon noted that the company had no prior disciplinary history. Wohlman made a motion to lift the contingency with a \$50.00 penalty for going into contingency status while in control of the license holder. Hansen seconded. The motion carried.

3. RENEWAL CONSENT AGENDA

LICENSE HOLDERS
PDI 1115 – Charles Anderson
PDI 1118 – Allen Garber
PDC 942 – Arden Investigation, Inc.
PAC 296 – Semper Fi Security, LLC
PDC 1036 – Inspection Services Group, LLC

Moen made a motion to approve the renewal consent agenda. Hessel seconded. The motion carried.

4. RENEWALS WITH ISSUES:

PAC 1114 – HillTac Corporation [Originally licensed 5/27/14]

Cook noted that Mark Hillstrom, the Qualified Representative was present to answer any questions the Board may have. Hodsdon questioned if Cook had received Hillstrom's signed Tennessee Warning. Cook affirmed. Cook stated that Hillstrom had called him before his renewal was due and informed him that there would be issues with locating records for the company's Affidavit of Training. Hodsdon questioned if everything else was in order for the renewal. Cook stated that they were still lacking some records for some employees. Hillstrom affirmed and stated that he didn't feel he would be able to obtain those records, as they were from a previous owner.

Hillstrom stated that as it was his first renewal and going forward, he will ensure any missing records, such as background checks are re-done. He stated he would be dropping some off today. Hessel questioned Hillstrom about how many employees he had. Hillstrom stated that he had 30 off-duty police officers who work in uniform, and ten security guards.

Wohlman questioned if Hillstrom had previously worked for Signal 88. Hillstrom advised that Signal 88 was a franchise security company. He stated he had started a franchise in 2013 when he received his license. There was also another license holder operating another franchise in Minneapolis at the time. He stated that in 2014, the owner of the Minneapolis franchise approached him and asked if he would buy him out. Hillstrom stated that he agreed and assumed operations in early 2015. He stated that once the deal was done, there was no longer communication between himself and the previous owner.

Wohlman questioned what company Hillstrom had purchased. Hillstrom stated that it was another Signal 88 franchise. Wohlman questioned what Hillstrom's job was with Signal 88 and if he was the Qualified Representative as the other individual was the Qualified Representative for the other franchise. Hillstrom affirmed. Wohlman stated that the individual's record keeping was not as up to date as Hillstrom's. Hillstrom stated he was not sure, but that he did not receive all of the necessary records.

Hodsdon questioned Hillstrom about how long he thought it would take for him to get some of the record updates. Hillstrom stated he could have an updated Affidavit of Training as soon as the background checks are returned to him. He also noted that they have been background checked, but that he didn't know when. He stated he was doing this to have a date trail on his own end for next time. Wohlman questioned how many employees Hillstrom had taken on when he bought out the company. Hillstrom stated he had taken on 14 employees. Wohlman questioned if Hillstrom had received any of those employees' personnel files. Hillstrom stated that he had not. Wohlman questioned if the individuals had to re-apply. Hillstrom affirmed and stated he had to re-hire them. He stated that he had met with each employee to verify that they had a badge and had been fingerprinted. Hillstrom stated that once the sale had gone through, the previous owner was completely done with the business.

Hillstrom stated that he understood the statutes and that it was his fault for not reviewing the affidavit. Hillstrom stated that he was currently working of the affidavit and was working to ensure something like this wouldn't happen again. Hessel stated it appeared Hillstrom had everything else in line and was just waiting to get the results back. Hillstrom affirmed. Hodsdon questioned if they could consider a contingency. Cook affirmed. Hodsdon stated that would give Hillstrom another 60 days to make sure things had lined up. Hessel made a motion to grant the license a contingency. Moen seconded. The motion carried.

PAC 1116 – Point 2 Point Global Security, Inc. [Originally licensed 5/27/14]

Cook noted that this entity was not aware of the training requirements and that this was their first renewal. They stated that they had not taken any of the board certified training and were requesting a contingency. Hessel questioned if this entity should have known these requirements when they first received their license. Cook affirmed. Cook stated that part of the application packet is for them to sign off and say that they have read and understand the statutes and rules regarding licensure. Cook noted that the company had been cooperative and in an attempt to fix this problem, they were working on an officer change for

another employee to become the Qualified Representative. Cook stated that the entity was working with the agency and that the agency had sent them the Qualified Representative officer change application. Hansen questioned if the entity would have enough time to meet the training requirements. Cook stated that they would if they were granted a contingency. Hessel made a motion to grant a contingency. Moen seconded. The motion carried.

5. LAPSED LICENSES:

PAC 334 – Miller Protection Services, Inc. [Lapsed Status Ends June 2016]

Cook noted that this individual's renewal was due in February 2016. At that time, and presently, the agency has not received the renewal packet. The board granted a contingency. At the April 2016 meeting, the contingency was up. Cook stated that at that point, the license should have been placed in lapsed status. Instead, they were placed accidentally into expired status. Cook stated he wanted to clarify that this was incorrect and that this entity's lapsed status will be up in June 2016 and the license will expire if there is no action taken. Cook again stated that the agency had yet to receive the renewal packet. Cook explained that the agency had sent several notifications explaining that the license status. Hodsdon stated that this required no action at this time.

6. EXPIRED: None.

7. SURRENDERED LICENSES:

PDC 704 ICS Merrill

PDI 1163 Merle Busic

PDC 1117 Kelly Consulting Group, LLC

Hodsdon stated that he appreciated when an individual or entity advises the Board of their intentions such as surrendering.

8. TRAINING COURSE & INSTRUCTOR APPROVALS:

TYPE	PROVIDER	INSTRUCTORS	COURSE NAME	HRS
CPDPA	American Security	Multiple (see instructors below)	Basic Threat Awareness Training	6
CPD	Minnesota Chapter IAAI	Multiple (see instructors below)	MN Chapter IAAI 2016 Fire & Arson Training Conference	20
CPD	WayPoint, Inc.	Multiple (see instructors below)	WayPoint 2016 Annual PI Training Session	6

PROVIDER	INSTRUCTORS
American Security, LLC	Timothy Knutsen
American Security, LLC	David Skinner
American Security, LLC	Joseph Alf
American Security, LLC	Mark Ford
American Security, LLC	Ronald Kissel
American Security, LLC	Timothy Kingsley

American Security, LLC	*Karrie Tuzzolino
American Security, LLC	*Michael Chinn Jr.
Minnesota Chapter IAAI	Scott Davis
Minnesota Chapter IAAI	Matt Jeske
Minnesota Chapter IAAI	David Powell
Minnesota Chapter IAAI	Scott Futrell
Minnesota Chapter IAAI	Matt Dubbin
Minnesota Chapter IAAI	Tony Krall
Minnesota Chapter IAAI	Jeffrey Washinger
Minnesota Chapter IAAI	Dominic Novak
Minnesota Chapter IAAI	Denise Demars
Minnesota Chapter IAAI	Brooks Staub
WayPoint, Inc.	Richard Ostrom
WayPoint, Inc.	Deb Gotziaman
WayPoint, Inc.	Lesley McDougall
WayPoint, Inc.	Dan Browning
WayPoint, Inc.	Scott Stillman
WayPoint, Inc.	Julia Twaddle
General Security Services Corporation (GSSC)	Joseph Kessel
Sentry Security and Investigations	Theo Milz III

Moen made a motion to approve the courses and instructors. Wohlman seconded. The motion carried.

9. OFFICER CHANGES.

License Holder Business Name:	Brink's, Inc.
License Type/Number:	PAC 154
Change from:	David Johnson
Change to:	Truman Tabor
Type of Officer Change (MM, QR, CFO, CEO):	Qualified Representative
Physical Address:	830 Boone Avenue North, Golden Valley, MN 55427
Date Received:	5/11/16

Cook noted that the applicant was qualified with no issues. He stated that the individual is currently the Minnesota Manager and would also be taking over as the Qualified Representative. Cook noted how closely related the two positions were. Hansen made a motion to approve the officer change. Hessel seconded. The motion carried.

10. NEW LICENSE APPLICANTS – Tabled. None.

11. NEW LICENSE APPLICANTS – Present: Files are available for review.

Applicant Business Name:	Kirk Bares dba: Elite Insight
Type of License Applying For:	Individual Private Detective
Physical/Local Address:	244 Ash Street West, S. St. Paul, MN 55316
Date Received:	5/04/16
Scope of Business:	Private Investigations/Surveillance

Cook requested Bares to turn in his signed Tennessen Warning. Hodsdon welcomed Bares back to the Board. He noted that it appeared Bares was missing two references forms and questioned the board staff if those had been turned in yet. Cook noted that they had received one and that the other company was working on it.

Hodsdon noted that Bares was previously licensed, so he understood the process. Hodsdon questioned if the board had any questions for Bares. Wohlman questioned what type of investigative work Bares would do. Bares explained that he typically would do fraud investigations working with corporations locally and abroad. Wohlman questioned if Bares would be doing any armed work. Bares stated no. Wohlman questioned if Bares anticipated hiring any employees. Bares stated no. Wohlman stated that Bares used to be in law enforcement. Bares affirmed. Wohlman questioned how long it had been since Bares was in law enforcement. Bares stated that he had worked from 1981-1989. Wohlman questioned if Bares still knew people in law enforcement that he had worked with previously. He stated that he knew the Chief of Police.

Wohlman explained that there is a fine line between getting information from a law enforcement officer and working in the private sector. Wohlman noted Bares would not want to cross that. Bares affirmed and stated that he understood. Bares stated he did not have as many connections with law enforcement today as he once did. Cook asked Bares if he had been conducting any investigations since his last license lapsed. Bares stated 'No'.

Wohlman questioned if everything in the application was in order. Cook affirmed. Wohlman made a motion to grant an Individual Private Detective license to Kirk Bares, doing business as Elite Insight. Moen seconded. Wohlman added that he would like to have the preassignment waived for Bares. Moen agreed and seconded the added motion. The motion carried.

12. New Applicants: Consent Agenda: None.

13. Additional Applications: None.

14. REQUEST TO SPEAK TO THE BOARD: Kyp Stavrou, Peter Alexander and Associates

Cook read Stavrou the Tennessen Warning. Stavrou stated that the reason for his request to speak to the Board was regarding a letter he had submitted last month involving the request to waive two of his employees' preassignment training.

Hodsdon noted that all employees need to have preassignment within the 21 days of their hire date. Hodsdon stated that at the last meeting, this was discussed and there was no motion by the Board. Stavrou questioned if anyone from the Board needed a copy of the letter he had submitted. The members stated that they had already read the letter. Stavrou requested that the names of his employees not be said, just as they weren't at the previous meeting. Stavrou stated he knew this was public information, but he did not want their names online for others to search based on the work that they do.

Stavrou stated that his first employee was a previous license holder with the Board for over 30 years. Stavrou mentioned he would like to go over some of the lingo from the statutes and that he may have misunderstood them, as they are confusing. He cited Minnesota Administrative Rule 7506.2600 subdivision 2 and said A person who submits satisfactory proof to the board of actively working full time or part time as a private detective or protective agent or who has a Minnesota license or applies for a Minnesota license before July 1, 1998, is eligible for exemption from the preassignment training requirement. Stavrou stated that he was not sure what the rule was referencing there: whether it was someone seeking a license, or if it was someone who has had a license prior. He stated that he has enough experience to get a license himself. Stavrou mentioned that to have that individual go back through the preassignment training for a private detective and for a protective agent, as well as doing armed training, seemed unnecessary. Stavrou stated that they were willing to do it, but they were hoping to get it approved to have it waived. He stated that he understood the need for continuing education.

Stavrou stated that the second employee was a full time police officer who left last July after eight years of service. He stated the individual was an investigator. Stavrou stated that she still held a current POST certification that was good for another three years. He stated if she still held this certification, she could be waived due to Minnesota Statute 326.3361 subdivision 4. He stated that he would combine that with subdivision one of Minnesota Administrative Rule 7506.2600 under license requirement. He stated that if someone has completed preassignment training, but then leaves the practice, it would still be good for another three years. They could come back into the business and the training would still be waived. Stavrou stated that as a license peace officer who has all her training, would more than satisfy the weapon training requirement as well as the investigative component. Stavrou stated that this was why he was here. He noted that if the Board upheld their previous decision after the conversation, he would like to know why they only waive the preassignment training for the license holders and not the employees.

Hessel questioned Stavrou if the second mentioned employee would be carrying a firearm. Stavrou affirmed. Hessel asked Stavrou if he knew that she would need to complete the training requirements to carry the firearm. Stavrou affirmed and acknowledged that he was aware of that.

Cook cited Minnesota Administrative Rule 7506.2600 under preassignment or on the job training requirements. He noted that under subpart one, licensing requirements, it stated that a person employed as a private detective or protective agent must spend a minimum of 12 hours in preassignment training within the first 21 days of employment. An individual who leaves the profession for three years or longer and returns to employment as a private detective or protective agent must repeat the preassignment training. Cook noted that the first employee who was mentioned was last licensed in 2005. Stavrou affirmed and stated that the individual did have a license for about 30 years.

Wohlman stated that he had been on the Board for 18 years and since then, the Board did not grant a waiver of preassignment for employees. Wohlman stated that there are two reasons. The first is that the Board doesn't know what is going on with employees after they quit working. The second reason is that it would open a door and set a precedent that at every meeting, there would be individuals in front of the Board to get their employees' preassignment training waived. Wohlman stated that the meetings would take hours with large companies coming in and wanting to get their employees waived. Wohlman stated that that was not what the rules or statutes said. Wohlman explained that was why he felt the preassignment training should not be waived in the current case.

Stavrou thanked Wohlman for his explanation. Stavrou referred back to Wohlman's first point of not knowing the status of an employee between jobs and stated that it would come down to what the employers could record. He stated that they do the background checks regardless and have that documentation. He stated that they don't initially show that to the Board until renewal time. Stavrou noted that he believed if someone wanted to have their training waived, they should have to show that documentation as well.

Stavrou referred to Wohlman's second point of setting precedence for others. He stated that he understood. He noted that he has to send employees to three days of training: private detective, protective agent, and

armed training. Stavrou added that it's the three days of training as well as their training costs. He stated that he was trying to make it more fluid. He stated that for continuing education, he has that same issue. He stated that as a license holder, that was his standpoint. Stavrou stated that he knew there were exceptions to everything that the Board does. He stated that he was not trying to open the door for others. Stavrou stated that maybe someday the statutes would be revised and made clear so that it is not something that has to be a hindrance to the Board.

Hessel questioned Stavrou if he currently had any other employees besides the two he mentioned. Stavrou stated he did not and that currently, he only has the one employee and is bringing on the other to be a business partner. He stated the other individual is doing administrative tasks as he can't have her in the field yet.

Hodsdon stated that he had heard Wohlman's speech about the difference between the public and private sectors every time someone with law enforcement experience came before the Board to get a license. Hodsdon stated that as he is a current instructor for a preassignment course, he teaches several prior law enforcement personnel on data practices, civil liability, use of force, and reminds them that they are no longer cops in the private sector. He stated that the key issues are the private detective overview, legal authority, the Minnesota Statutes and Administrative Rules. Hodsdon stated that police officers are not required to know anything about that. Hodsdon stated that would be his concern with the waiver. Wohlman stated he could concur as he had been in the business for 35 years and owned his own business for 28 years. Wohlman stated that there was a big difference between being a police officer and then being in the private sector.

Stavrou referred to Minnesota Statute 326.3361 subdivision 4 and stated that full time peace officers are already waived. Stavrou stated it was already in the statute for those individuals to be waived. Stavrou stated that as an employer, he is responsible for what his employees do and don't know as well as what they can and can't do. If he was to send an employee to preassignment training, he would need to know more about that course to understand what his employees were being taught. Stavrou noted he worked for the public sector as well and understood the issues there. Stavrou stated that one training course wouldn't be enough to go through many things multiple times. Stavrou mentioned he wanted his employees to do this his way, from what he believed, and for what he saw as liabilities.

Hodsdon stated that this item would require a motion and questioned if there was a motion from the Board. Wohlman made a motion to deny the waiver of employee preassignment training. Hodsdon questioned if there was a second and noted that if there was no second to the motion, it would be void. The motion died for a lack of a second. Hodsdon questioned if there was any other motion from the Board. With no motion, the preassignment would be required of the two employees. The Board thanked Stavrou.

15. OTHER ISSUES AND DISCUSSION:

- a. Alexander Coelho is requesting a waiver of preassignment training under tab [9].

Hodsdon stated that this individual was someone who had already obtained a license. He noted that this individual had not yet had the ability to find an online preassignment course, or to come here to complete a course. Cook added that this was a recent approved applicant who specialized in heir finding—matching unclaimed property with the owners of the property. Cook stated it was explained in his letter to the Board. Cook stated that the individual did not have any plans to physically be in the state conducting business.

Hodsdon stated that he was sympathetic to the individual's logistical difficulties, but he reaffirmed his previous comments from the prior discussion and stated the importance of knowing Minnesota law. Hodsdon noted that he was a bit reluctant to do so for someone who does not reside in the state and may not know the laws.

Cook mentioned that the Board did issue this license contingent upon the individual receiving preassignment. Hessel questioned Cook if there was currently an online preassignment course. Cook stated that there was not. He noted that this was discussed at the prior meeting and that he had put out the request in the meeting minutes. Cook stated that he believed some individuals were in the process of developing them.

Wohlman stated that the motion was already made and had already passed that the license was contingent upon the individual completing the preassignment. He noted that the Board did not have to take action regarding the matter. Hodsdon stated that from his recollection, everyone on the board who was present at that meeting voted in favor of the motion. He stated that anyone who voted in favor could move to reconsider and move to withdraw that as a requirement. Hodsdon stated that if no one made a motion, it would be void due to the lack of motion.

Hessel questioned that if at this point this individual did not have a license until he completed the preassignment training. Cook affirmed. Hodsdon noted that was the reason that the Board had done that—so the individual did not get jammed up with the 21 day requirement. Hodsdon questioned if there was a motion. With no motion, the request died. Hodsdon stated that once the individual completed the preassignment training, his license would be activated. Moen questioned if this would be consistent with the prior motion. Hodsdon affirmed.

b. Expiration date for online database.

Cook stated that license holders were granted their licenses on the day of the board meeting. Cook noted that after that, it would be up for renewal two years later on the first of the month that the renewal was due. Cook stated that during that month, the agency reviews the renewals and the Board votes on it. Cook stated that the agency has received a lot of calls from insurance companies and data brokers who question whether their license is up on the first of the month or the end. Cook stated that the agency was looking into extending the period of the license holders' expiration dates to either the end of the month, or the first of the next month. Cook stated as an example, the renewals this month was due May 1st. He stated that their license would be good through the month of May. He stated that this was an idea so that there wouldn't be a gap for those that need their license. Cook stated this would help license holders, their clients and insurance/data brokers as well as streamline the process.

Hessel noted that with their meeting dates, there would only be about a two or three day lapse. Cook affirmed and stated that they still receive phone calls regarding this. Moen agreed that it is not clear whether the expiration date occurred on the date of the board meeting or at the end of the month. Cook affirmed. Moen also added that they have had situations where the board meeting date had been modified. Cook agreed.

Cook noted he was just carrying on with what his predecessor had done in the past and was reassessing that practice. Hodsdon stated that he was looking in the statutes to see if there would be any reason that they could not do that. Cook stated that the term was "two years". Moen questioned how this would affect the required date for license holders to get their renewal materials in. Cook stated that it would remain the same. Cook stated that it gave the agency roughly three weeks to work on the renewal.

Hodsdon stated that his concern was when he looked at Minnesota Administrative Rule 7506.0131 subdivision 1 regarding contingent licenses, it discusses contingencies, but it states that they are 60 days from the date of the board meeting. Wohlman stated that it was already incorporated in there. Hodsdon stated that was his concern. He added that he wasn't objecting to the idea, as it made sense for the license holders and consumers. Hodsdon stated that the Board was stuck by the rules and statutes and that those were the driving force. Hodsdon mentioned that by skimming quickly through the statutes, he was not sure if the Board had the authority to do that.

Cook stated that this had a lot to do with the agency's online database. He stated individuals will get on the website to see if a company or individual is licensed, and if they are, they will look at the expiration date. Cook questioned if he could say that the license expired, for example, May 2016, instead of May 24, 2016.

Moen questioned Hodsdon if he had found anything besides the rule regarding contingencies. Hodsdon stated that he was just skimming through trying to figure out which statute or rule this issue may be in. Cook questioned Hodsdon if this would be something he would consider tabling next month so that the agency could do some more research regarding the issue. Hodsdon agreed. Hessel stated he could see where this would run into issues for insurance companies. Hodsdon stated that the Board would give direction to its staff to figure out whether or not there were any statutes or rules that would cause a barrier to their proposal.

- c. July 1st 2016 - End of dual licensing discounted expedited apps for those license holders who held a license prior to July 1st 2014.

Cook stated that he was just using the meeting minutes to educate people that this date was coming up. Hodsdon stated that if individual companies wanted to exercise this option, they should do it sooner rather than later, as this window is closing. Cook affirmed. Hessel questioned Cook if he believed most were aware of this. Cook stated he had sent multiple notifications out in regards to this.

- d. Update from General Counsel:

Magnuson stated that he would like to update the Board on two pending litigations. Magnuson stated that with A Infidelity Investigations, Inc., they filed a motion to dismiss, with the hearing coming up Friday, June 3rd. Magnuson stated that at this meeting he would assume the judge would take the matter under advisement and make a decision.

Magnuson stated that with regards to Fairline Services, Inc., the Board had previously discussed settlement in the matter. Magnuson requested that the Board make a motion to authorize the Board Chair to sign the settlement agreement on behalf of the Board, so that the entire Board does not have to sign it. Magnuson added that there was only one term of the settlement agreement that would remain unchanged. Hessel made a motion to authorize the Board Chair to sign off on the settlement agreement on behalf of the Board. Hansen seconded. The motion carried.

16. AT THIS TIME THE BOARD ADJOURNED THE MEETING SO THAT PURSUANT TO MINNESOTA STATUTE 13D.01 SUBD. 2.

Wohlman made a motion to go into a closed session.

Hodsdon stated that the Board needed to finalize the motion to go into closed session. The full Board was in favor. The motion carried.

The Board went into closed session at 1:51 pm.

The closed session ended at 2:05pm and Hodsdon continued with the meeting.

Cook announced that Shauna Jahnz had passed her 90 day probation and was now an official full-time administrative assistant. Cook stated she had been doing excellent work and much of the recent success of the agency was due to her. Cook went on to say that having someone like Shauna assist with applications, renewals, research and the administrative tasks was invaluable.

Wohlman made a motion to adjourn the meeting. Hessel seconded. The motion carried and the meeting adjourned at 2:05 pm.

Next meeting is scheduled for June 28th, 2016 at 10:00am.